

Tobacco Surcharges in State Employee Health Plans



In an attempt to discourage use of tobacco products and cover additional health care costs associated with tobacco use during difficult fiscal times for states, several state governments have instituted a tobacco surcharge in state employee health plans.

What is a tobacco surcharge?

- ➔ A tobacco surcharge is a variation in insurance premiums based on tobacco use.
- ➔ Tobacco surcharges are sometimes called tobacco premiums, premium incentives or nonsmoker discounts.
- ➔ Current federal law allows health insurance plans and/or employers to vary health insurance premiums based on tobacco use by 20 percent. The Affordable Care Act allows many health plans to vary premiums even more – up to 50 percent – in 2014. This could mean tobacco users would be required to pay thousands of extra dollars in premiums, and may effectively price smokers out of the system.

The American Lung Association considers tobacco surcharges to be punitive measures and barriers to obtaining health insurance coverage. Such measures have not been proven effective in encouraging smokers to quit. The Lung Association does not recommend the use of tobacco surcharges. However, if a state, insurance plan or employer decides to implement a tobacco surcharge, it is even more *vital* that tobacco users be given access to a comprehensive tobacco cessation benefit to help them quit.

Tobacco Cessation Benefits Should Include

ALL of These:

Nicotine Patch	Individual Counseling
Nicotine Gum	Group Counseling
Nicotine Lozenge	Phone Counseling
Nicotine Nasal Spray	
Nicotine Inhaler	
Bupropion	
Varenicline	

Comprehensive Tobacco Cessation Benefit

Providing a comprehensive tobacco cessation benefit means requiring easy access to seven medications and three types of counseling recommended by the U.S. Department of Health and Human Services (HHS) to treat tobacco use and nicotine dependence. Quitting tobacco is extremely hard, and everyone responds to treatment differently. It is important that potential quitters have access to all treatments.

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- ➔ American Lung Association data show that 12 states have tobacco surcharges/premiums/incentives for state employees and dependents.
- ➔ While each of the 12 states provides some level of tobacco cessation treatment for employees, none of them cover a comprehensive benefit. The following states have a tobacco surcharge while providing an inadequate tobacco cessation benefit:
 - × South Carolina
 - × South Dakota
 - × Texas

The Lung Association considers a benefit “inadequate” when the plan covers fewer than seven tobacco cessation treatments for all employees and dependents.

12 States with Tobacco Surcharges:

- Alabama
- Georgia
- Indiana
- Kansas
- Kentucky
- Missouri
- North Carolina
- South Carolina
- South Dakota
- Tennessee
- Texas
- West Virginia